

Claim for return of \$\$ filed by Rewald trustee

The former Honolulu head of the CIA paid the trustee of Ronald Rewald's firm \$145,000 that was withdrawn shortly before the company went bankrupt last year, it was reported yesterday to a federal judge.

Jack Kindschi paid the money as part of a settlement in exchange for the trustee's relinquishing his claims for court costs, attorney fees and interest on the \$145,000, according to trustee attorney Simon Klevansky.

Thomas Hayes, the bankruptcy administrator, estimated that the additional amount is about \$6,000 to \$8,000.

The settlement was reported yesterday to federal Judge Martin Pence who was about to preside over a claim filed by the trustee to recover money

withdrawn by Kindschi within 90 days of the bankruptcy. According to Klevansky, the bankruptcy laws are clear that those funds must be returned. He said Kindschi as a creditor can now file a claim for that money.

Kindschi's case was the first involving a court claim for a return of funds withdrawn during the 90-day period. Klevansky said others are pending, but the trustee is "inclined" to make a similar settlement offer to the others.

Rewald was the head of Bishop, Baldwin, Rewald, Dillingham and Wong which went bankrupt last year after taking in some \$20 million, according to a trustee report.

Rewald is awaiting trial on theft charges brought by two investors, one of whom is Kindschi.

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Judge refuses to let Rewald sue CIA on investors' behalf

Ronald Rewald yesterday was unsuccessful in obtaining permission to sue the Central Intelligence Agency on behalf of investors of his bankrupt company, Bishop, Baldwin, Rewald, Dillingham and Wong.

Federal Judge Martin Pence refused to order the bankruptcy trustee to give up his claims against the CIA, which has been the target of a \$671 million suit filed by Rewald two months ago.

Rewald's attorney, Robert Smith, acknowledged the trustee holds the rights to the claims against the CIA, but argued

that Rewald has the "greater interest" in pursuing those claims — which could cost \$500,000 in expenses and attorney fees.

Smith said the trustee has "no interest" in investigating the claims.

James Wagner, the trustee attorney, told Pence the investigation is continuing. But one problem is that Rewald won't explain his case against the CIA. Wagner also said Rewald can still pursue his claims in his own behalf.

Pence said Rewald can renew his request at a later date.